

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6207**

**BILL NUMBER:** HB 1047

**NOTE PREPARED:** Nov 16, 2008

**BILL AMENDED:**

**SUBJECT:** Environmental Rule Review Board.

**FIRST AUTHOR:** Rep. Pond

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** This bill establishes the Environmental Rule Review Board. It prohibits the Air Pollution Control Board, Water Pollution Control Board, and Solid Waste Management Board from adopting a rule that contains a provision that is more stringent than a corresponding federal provision established under federal law until the Environmental Rule Review Board approves the rule. It also prohibits the Environmental Rule Review Board from approving a proposed rule that contains a provision that is more stringent than a corresponding federal provision established under federal law unless the board finds that the provision is necessary to address an emergency situation that is unique to Indiana.

**Effective Date:** Upon passage; July 1, 2009.

**Explanation of State Expenditures:** *Expenses of New Board Members.* Expenses paid to members of the newly established Environmental Rule Review Board are estimated at less than \$10,000 per year. The specific cost will depend on the number of meetings held, attendance, and the distance that members will travel to meet. The board consists of 3 lay members and 4 legislative members. Lay members and state employees are entitled to reimbursement for traveling expenses and other expenses. Legislative members are entitled to receive the same per diem, mileage, and travel allowances paid to legislative members of interim study committees established by the Legislative Council. Per diem, mileage, and travel allowances must be paid from appropriations made to the Legislative Council or the Legislative Services Agency.

*Staffing Expenses.* The Department of Environmental Management (IDEM) will incur additional expenses in order to provide staff support for the board. IDEM's current level of resources should be sufficient to provide this support. IDEM reverted \$5.9 M to the state General Fund in FY 2008.

*Restrictions on Rulemaking.* The bill provides that the environmental boards and the Environmental Rule Review Board may not approve a rule that is more stringent than a corresponding federal provision unless the provision is necessary to address an emergency situation that is unique to Indiana. The proposal could affect state and local expenditures to the extent that it may prohibit the imposition of rules that could generate more or less revenue or spending by state and local governments. The impact is indeterminable and would depend on the nature and number of rules affected by the proposal.

The proposal could reduce expenses of the Air Pollution Control Board, Water Pollution Control Board, and Solid Waste Management Board to the extent that the boards may not have to meet as often because their work could be diminished by the proposal.

**Explanation of State Revenues:** See *State Expenditures* above.

**Explanation of Local Expenditures:** See *State Expenditures* above.

**Explanation of Local Revenues:** See *State Expenditures* above.

**State Agencies Affected:** IDEM, Air Pollution Control Board, Water Pollution Control Board, and Solid Waste Management Board.

**Local Agencies Affected:** Potentially all local units of government.

**Information Sources:**

**Fiscal Analyst:** Bernadette Bartlett, 317-232-9586.